

MINUTES

MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **SEN. KELLY GEBHARDT**, on March 21, 2003 at 3:30 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. John Cobb, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Kelly Gebhardt (R)
Sen. Carolyn Squires (D)
Sen. Mike Wheat (D)

Members Excused: None.

Members Absent: None.

Staff Present: Pat Murdo, Legislative Branch
Mona Spaulding, Committee Secretary
Rebecca Sattler, Transcription of Minutes

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 680, 3/7/2003

Executive Action: SR 4, Do Pass; HB 277, Be
Concurred In As Amended;
HB 253, Action Postponed;
HB 518, Indefinitely
Postponed; HB 599, Be
Concurred In As Amended

HEARING ON HB 680

Sponsor: REP. MARK NOENNIG, HD 9, Billings

Opening Statement by Sponsor:

REP. NOENNIG explained that this bill creates standards for documents filed with the office of the clerk and recorder of each county. It allows a clerk to only accept certain documents for filing, and establishes a fee for recording certain documents.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 8}

Proponents' Testimony:

Robert Throssel, Montana Association of Clerks and Recorders (MACR), expounded on the purpose for HB 680. He said that historically, the counties filmed the records and put them on microfiche. Technology is moving toward digital and online record keeping. This allows for easier access to the public, uniform records, and smaller storage space.

Mr. Throssel addressed the specifics of the bill and explained the current method of storage for documents. He said that the idea of this bill is to educate the public and to start moving toward a standard document format. He distributed a suggested amendment.

EXHIBIT(sts60a01)

{Tape: 1; Side: A; Approx. Time Counter: 8 - 17.9}

Tony Nave, MACR, added his support of HB 680 and went through his written comments and charts (Exhibit 2). He explained the bar code label system they use and provided examples of various documents. Mr. Nave went through the Exhibits 3-8 as examples of how the bar code doesn't always fit on a page and why a standard document format is needed. He urged support for HB 680.

EXHIBIT(sts60a02)

EXHIBIT(sts60a03)

EXHIBIT(sts60a04)

EXHIBIT(sts60a05)

EXHIBIT(sts60a06)

EXHIBIT(sts60a07)

EXHIBIT(sts60a08)

{Tape: 1; Side: A; Approx. Time Counter: 15.9 - 30}

{Tape: 1; Side: B; Approx. Time Counter: 0 - 4.8}

Mona Jamison, Gallatin County, in behalf of Shelly Vance, Gallatin County Clerk and Recorder, added her support to the previous testimony. She also voiced concern over lack of recording space on documents.

Opponents' Testimony:

William F. Gowen, President, Helena Abstract Title Company, read his written testimony in opposition to HB 680, and offered some suggestions for amendments.

EXHIBIT (sts60a09)

{Tape: 1; Side: B; Approx. Time Counter: 4.8 - 10}

Stephen Granzow, stated that he opposes the bill but supports the amendments proposed by William Gowen.

Patrick Montalban, Northern Montana Oil and Gas Association (NMOGA), stated that he represents the small companies and counties. He distributed an oil and gas lease and a bill of sale and conveyance. He said the money part of this bill is not their number one concern; NMOGA's number one issue with this bill is that the document is recorded when it comes into the courthouse. He added that the bill is good for the big counties, but the smaller counties cannot afford the scanners and bar code systems. He added that they would support the bill with the amendments.

EXHIBIT (sts60a10)

{Tape: 1; Side: B; Approx. Time Counter: 10 - 15}

Steve Hart, Nance Petroleum Company, Billings, stated that it is an onerous burden to shrink documents. He said that it is more important to keep the companies running, than to add a burden on them for the cost of recording fees.

Robert Fisher, Geologist, Ballard Petroleum, distributed a copy of a lease in 8-point font. He explained that, to conform to the standardization requests, it would be a 33% recording fee increase for each lease. Mr. Fisher explained the increased costs to the community that would be incurred, should they be required to increase the fees.

EXHIBIT (sts60a11)

{Tape: 1; Side: B; Approx. Time Counter: 15 - 19.9}

Jerome Anderson, Attorney, representing Encore Acquisition, delineated his concerns with the bill. He said that there is no standardization in other states with record keeping.

Gilda Clancy stated her opposition to HB 680. She read the testimony and concerns of her husband Dan Clancy, who is a petroleum land man.

Informational Witnesses: None

Questions from Committee Members and Responses:

SEN. WHEAT asked REP. NOENNIG if the bill could be structured to take the smaller counties into consideration. **REP. NOENNIG** said that most of the concerns of the opponents have been addressed by the amendments. He stated that the fee is incidental; the purpose is to achieve standardization.

CHAIRMAN GEBHARDT had a question regarding New Section 1, #1. **REP. NOENNIG** agreed that it should be changed. **CHAIRMAN GEBHARDT** asked if there was a way to delay the requirement date to allow for smaller counties to conform. **Robert Throssel** added that there are many counties who still micro-film documents. He said that they believe it is best for everyone to meet the same format.

{Tape: 1; Side: B; Approx. Time Counter: 19.9 - 30}

SEN. COBB asked if the banks and other entities are going to have to change their documents also. **Robert Throssel** said that it is a national issue. **SEN. COBB** questioned the \$6 fee and wondered if it should be cut to \$4 for those who conform, as an incentive.

Closing by Sponsor:

REP. NOENNIG closed on HB 680. He further discussed the fiscal note and the fee situation. He reiterated that the purpose of the bill is to standardize the forms so they are scannable.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 8}

EXECUTIVE ACTION ON SR 4

The Committee discussed that this resolution is to approve John Mercer for the Board of Regents.

Motion/Vote: SEN. GEBHARDT moved that SR 4 DO PASS. Motion carried unanimously.

SEN. SPRAGUE will carry the bill on the floor.

{Tape: 2; Side: A; Approx. Time Counter: 8 - 10}

EXECUTIVE ACTION HB 277

Motion: SEN. COBB moved that HB 277 BE CONCURRED IN.

Motion: SEN. COBB moved that AMENDMENT TO HB 277 BE CONCURRED IN.

EXHIBIT(sts60a12)

Discussion:

Pat Murdo, Legislative Staff, explained the bill and the amendment. This bill intends to extend term limits from 8 years to 12 years. This bill is similar to SEN. TAYLOR's bill. The Committee discussed the reasons to pass this bill anyway.

Vote: Motion carried 3-2 with SENS. SQUIRES and WHEAT voting no by voice vote.

Motion/Vote: SEN. COBB moved that HB 277 BE CONCURRED IN AS AMENDED. Motion passed 3-2 with SENS. SQUIRES and WHEAT voting no by voice vote.

SEN. GEBHARDT will carry the bill on the Senate floor.

{Tape: 2; Side: A; Approx. Time Counter: 10 - 17}

EXECUTIVE ACTION ON HB 253

Pat Murdo read the conceptual amendment, stating that this bill is contingent upon passage of HB 468.

The Committee decided to postpone action on HB 253 until Monday so the Committee would have time to read through it.

{Tape: 2; Side: A; Approx. Time Counter: 17 - 22.9}

EXECUTIVE ACTION HB 518

The Committee discussed the content of this bill. They had been waiting on more information. **SEN. WHEAT** explained the two issues addressed by this bill: brokerage advertising and fees. He shared the information he was given by John McCuen and John Shonz. **SEN. WHEAT** said that he thinks there is no issue.

Motion/Vote: **SEN. WHEAT** moved that HB 518 BE INDEFINITELY POSTPONED. Motion carried unanimously by voice vote.

{Tape: 2; Side: A; Approx. Time Counter: 22.9 - 26.9}

EXECUTIVE ACTION HB 599

SEN. WHEAT explained that he called the County Commissioner of Bozeman and they are opposed to the bill as written. They wanted a clause for an emergency situation. John Vincent suggested some language, which **SEN. WHEAT** read to the Committee. The Committee discussed if the emergency language was already in place.

{Tape: 2; Side: A; Approx. Time Counter: 26.9 - 30}

Motion: **SEN. COBB** moved that HB 599 BE CONCURRED IN.

Motion/Vote: **SEN. WHEAT** moved that CONCEPTUAL AMENDMENT TO HB 599 (as explained) BE CONCURRED IN. Motion carried unanimously by voice vote.

Motion/Vote: **SEN. COBB** moved that HB 599 BE CONCURRED IN AS AMENDED. Motion carried unanimously by voice vote.

SEN. WHEAT will carry the bill on the Senate floor.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 2.9}

ADJOURNMENT

Adjournment: 5:00 P.M.

SEN. JOHN COBB, Chairman

REBECCA SATTLER, Transcriptionist

JC/RS

EXHIBIT (sts60aad)